

REMARKS

The Office Action has been received and carefully considered. Claims 30-36 and 45-59 are pending in this application. By this Amendment, claims 30, 50, 55, 58 and 59 are amended.

No new matter has been added by this Amendment. Support for the amended claims may be found in paragraphs 0054 - 0063 of the published patent application (2002/0194098), for example. Claim 50 is amended to cure a minor deficiency.

Reconsideration of the current rejections in the present application is respectfully requested based on the following remarks.

A. **THE 35 U.S.C. 101 REJECTIONS**

In the Office Action, claims 30 and 58 are rejected under 35 U.S.C. 101, the Office Action asserting that the claimed invention is directed to non-statutory subject matter. Further, claims 55 and 59 are rejected under 35 U.S.C. 101, the Office Action asserting that the method claims are not tied to a particular machine or apparatus.

In response to the rejection, the claims are amended to further satisfy the requirements of 35 U.S.C. 101. Withdrawal of the rejection is requested.

B. **THE INDEFINITENESS REJECTION OF CLAIMS 30-52**

On page 5 of the Office Action, claims 30-36 and 45-49 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the invention. In particular, the Examiner alleges that it is unclear how a balance would be stored in the adjustment account if the periodic retirement income payment is less than the guaranteed minimum payment. This rejection is hereby respectfully traversed.

Applicant again refers the Examiner to the specification which describes the storing of balances in an adjustment account:

Variable immediate annuity 515 will return or pay out a benefit based on the investments comprising the account. At step 520, the benefit level actually realized by annuity 515 is compared to the guaranteed minimum periodic retirement income payment that, in one embodiment, is predetermined by the user. In another embodiment, the guaranteed minimum periodic retirement income payment is based on the total premium payments made during the accumulation period. **If the benefit level received is less than the guaranteed minimum periodic retirement income payment, then the adjustment account balance is increased by an amount equal to the difference between the benefit level and the guaranteed minimum periodic retirement income payment.** For instance, assume that the actual benefit realized by the annuity account is \$5,000 and that the guaranteed minimum periodic retirement income payment was predetermined by the user to be \$6,000. In this scenario the adjustment account 530 will show a balance of \$1,000, the additional payment required to provide the user with the guaranteed minimum periodic retirement income payment. According to one embodiment, the comparison of the benefit level with the guaranteed minimum periodic retirement income payment may be made by an adjustment module, which may be associated with the annuity 515.

Returning to step 520, if the benefit level realized by the variable immediate annuity 515 is greater than the guaranteed minimum periodic retirement income payment, then at step 535 it is determined whether the adjustment account 530 shows a past balance. If it does, then a determination is made at step 540 as to whether the difference between the benefit level and the adjustment account balance is greater than the guaranteed minimum periodic retirement income payment, and, if it is, then the user is paid the difference between benefit level and the adjustment account balance. If, however, the difference between the benefit level and the adjustment account balance is less than the guaranteed minimum periodic retirement income payment, then the adjustment account balance is decreased by an amount equal to the difference between the benefit level and the guarantee minimum periodic retirement income payment. The user is then paid the guaranteed minimum periodic retirement income payment amount. According to one embodiment, steps 520, 535 and 540 are processed by an adjustment module, which may be associated with annuity 515. In yet another embodiment, should the user pass away during the annuitization period and/or the period certain, any adjustment balance is forgiven as a death benefit 545, as shown.

See, e.g., Page 27, line 34 - Page 28, line 5 (emphasis added).

In accordance with one embodiment of the invention, Applicant submits that the “adjustment account” recited in the pending claims would store a balance that indicates the additional payment required to provide the user with the guaranteed minimum periodic

retirement income payment. A balance would be stored, for example, if a periodic retirement income payment amount (e.g., a given benefit payment or level) is *less* than the guaranteed minimum periodic retirement income payment amount. Thus, if the user has a guaranteed minimum periodic retirement income payment amount of \$100, for example, but the periodic retirement income payment amount (e.g., benefit level) for a given periodic period of time (e.g., month) is \$95, then the “adjustment account” would store a balance of \$5. The balance in the adjustment account may be drawn down in situations where the periodic retirement income payment amount is *greater* than the guaranteed minimum periodic retirement income payment amount, for example.

Applicant notes the further comment in the present Office Action (vis-à-vis the May 14, 2008 Office Action) on page 5, line 13 - page 6, line 2. Therein, the Office Action asserts:

For example if a minimum periodic retirement income payment amount is \$100, but the periodic retirement income payment amount is \$95, how is the value a positive \$5 left as the balance? Are the guaranteed minimum periodic retirement income payment amount an amount that is being put into a module, and then the periodic retirement income payment amount the value that is being paid out to the user? If the guaranteed periodic retirement income payment amount is the amount paid out to the user **it would not make sense for there to be any funds left over if that value is greater then the periodic retirement income payment amount.** Because the minimum payment amount is still a minimum payment amount and in order for it to be the minimum payment amount the user must be paid the minimum.

(emphasis added)

In general, it appears that the Office Action bases the alleged indefiniteness on a supposition that a balance cannot be negative, i.e., see the Office Action on page 5, lines 7-12. However such supposition is misplaced in that a balance can indeed be negative. Such negative balance conveys the disparity between two considered values. As such, Applicant respectfully submits that such claimed feature satisfies 35 U.S.C. 112.

Accordingly, Applicant respectfully submits that, as described above, the claimed systems and methods are able to store a balance in an adjustment account when the periodic retirement income payment amount is less than the guaranteed minimum periodic retirement income payment amount.

In view of the foregoing, it is respectfully requested that the aforementioned indefiniteness rejection under 35 U.S.C. 112 be withdrawn.

C. THE ANTICIPATION REJECTION OF CLAIMS 30-36 AND 45-57

On page 6 of the Office Action, claims 30-36 and 45-59 are rejected under 35 U.S.C. § 102(e) as being anticipated by Dellinger (U.S. Patent No. 7,089,201). This rejection is hereby respectfully traversed.

Under 35 U.S.C. § 102, the Patent Office bears the burden of presenting at least a prima facie case of anticipation. In re Sun, 31 USPQ2d 1451, 1453 (Fed. Cir. 1993) (unpublished). Anticipation requires that a prior art reference disclose, either expressly or under the principles of inherency, each and every element of the claimed invention. Id.. “In addition, the prior art reference must be enabling.” Akzo N.V. v. U.S. International Trade Commission, 808 F.2d 1471, 1479, 1 USPQ2d 1241, 1245 (Fed. Cir. 1986), cert. denied, 482 U.S. 909 (1987). That is, the prior art reference must sufficiently describe the claimed invention so as to have placed the public in possession of it. In re Donohue, 766 F.2d 531, 533, 226 USPQ 619, 621 (Fed. Cir. 1985). Such possession is effected only if one of ordinary skill in the art could have combined the disclosure in the prior art reference with his/her own knowledge to make the claimed invention. Id.

Applicant also notes that MPEP 707.07(f) “Answer All Material Traversed” instructs the Examiner to clearly explain the Examiner’s reasoning when responding to a traversal: “In order

to provide a complete application file history and to enhance the clarity of the prosecution history record, an examiner must provide clear explanations of all actions taken by the examiner during prosecution of an application.” The same section of the MPEP specifies the form of such an explanation: “The examiner must address all arguments which have not already been responded to in the statement of the rejection[2]...In bracket [2], provide explanation as to non-persuasiveness.” Therefore, entirely ignoring the arguments presented in traversal, or merely stating that the arguments are not persuasive, is not an adequate response to Applicant’s traversal.

Applicant respectfully submits that the Office Action has not appropriately addressed Applicant’s arguments as set forth in Applicant’s September 15, 2008 Response. Therein, and as set forth below, Applicant argued that Dellinger failed to teach the claimed equity module, as recited in claim 30. The present Office Action fails to address such arguments. In particular, Applicant notes that the rejection of claim 30 appears to be essentially verbatim that as set forth in the prior May 14, 2008 Office Action. Further, there is no “response to arguments” in the present Office Action.

Applicant further notes that the Office Action does address the previously added claims 58 and 59. However, the rejection of such claims appear to rely on similar basis as that of claim 30. Applicant notes that the rejection of claim 59, as to the equity module, provides the further cite to Dellinger of column 18, lines 15-67. However, such teachings of Dellinger appear no more relevant than that previously relied upon.

As set forth in Applicant’s September 15, 2008 Response, regarding claim 30 and 55, the Office Action asserts that Dellinger discloses the claimed invention. Applicant respectfully disagrees. In particular, Applicant respectfully submits that Dellinger fails to teach, or even

suggest, among other things, an “**equity module** to receive an income generating payment” as recited in each of independent claim 30.

Applicant respectfully submits that Dellinger does not teach or suggest an “equity module to receive an income generating payment.” In contrast, Dellinger merely teaches computerized methods for administering variable annuity plans. Applicant submits that Dellinger does not teach or suggest any feature or functionality that even remotely comprises an equity module that receives an income generating payment.¹ The excerpts relied upon by the Examiner as purportedly disclosing this recitation merely describe benefit payments, which are not fairly interpreted as income generating payments. For example, col. 4, lines 30-46 merely discloses benefit payments, not an equity module or an income generating payment. Similarly, Figure 5 merely discloses benefit payments and other annuity particulars but does not disclose an equity module or an income generating payment. Col. 8, lines 35-50 also fails to disclose an equity module or an income generating payment, but merely teaches benefit payments. Lastly, col. 8, line 66 - col. 9, line 5 merely discloses reductions in benefit payments, but does not teach or suggest any feature or functionality comprising an equity module or an income generating payment. For at least this reason, therefore, Applicant respectfully submits that claims 30 and 55 are allowable over Dellinger. Independent claims 58 - 59 are allowable for similar reasons.

Regarding claims 31-36, 45-54 and 56-57, these claims are variously dependent upon independent claims 30, 55, 58, and 59. Thus, since such independent claims should be allowable as discussed above, the dependent claims should also be allowable at least by virtue of their

¹ As stated in MPEP § 2131, “[a] claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” Verdegaal Bros. v. Union Oil Co. of California, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

dependency on such independent claims. Moreover, these claims recite additional features which are not disclosed, or even suggested, by the cited references taken either alone or in combination.

In view of the foregoing, it is respectfully requested that the aforementioned anticipation rejection be withdrawn.

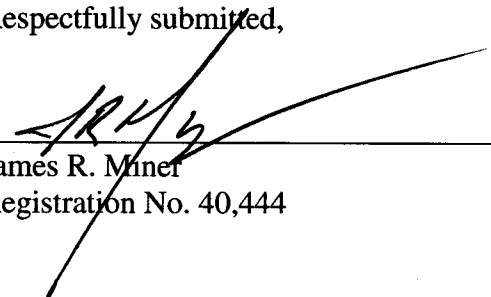
D. CONCLUSION

In view of the foregoing, it is respectfully submitted that the present application is in condition for allowance, and an early indication of the same is courteously solicited. The Examiner is respectfully requested to contact the undersigned by telephone at the below listed telephone number, in order to expedite resolution of any issues and to expedite passage of the present application to issue, if any comments, questions, or suggestions arise in connection with the present application.

To the extent necessary, a petition for an extension of time under 37 CFR § 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees and additional claim fees, to Deposit Account No. 50-0206, and please credit any excess fees to the same deposit account.

Respectfully submitted,

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Dated: APRIL 13, 2009